

Message Text

LIMITED OFFICIAL USE

PAGE 01 GENEVA 05387 101240Z

44

ACTION EB-07

INFO OCT-01 EUR-12 EA-06 IO-10 ISO-00 AGR-05 CEA-01

CIAE-00 COME-00 DODE-00 FRB-03 H-02 INR-07 INT-05

L-03 LAB-04 NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15

STR-04 TAR-01 TRSE-00 USIA-06 PRS-01 SP-02 FEAE-00

OMB-01 OIC-02 AF-06 ARA-06 NEA-10 /132 W

----- 127315

R 101007Z JUL 75

FM USMISSION GENEVA

TO SECSTATE WASHDC 4476

AMEMBASSY TOKYO

AMEMBASSY PARIS

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY SUXEMBOURG

AMEMBASSY OTTAWA

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

USMISSION EC BRUSSELS

LIMITED OFFICIAL USE GENEVA 5387

EO: 11652: N/A

TAGS: GATT ETRD

SUBJ: GATT BALANCE OF PAYMENTS COMMITTEE MEETING JULY 4:
PROCEDURES

REF: A. STATE 152338; B. BENEVA 4986; C. GENEVA 4818;
D. GENEVA 4475

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 GENEVA 05387 101240Z

BEGIN SUMMARY. COMMITTEE APPROVED SHORT LIST OF SHORTCOMINGS OF

GATT BOP PRACTICE FOR FORWARDING TO COUNCIL. WHILE JAPAN AND EC BLOCKED EXPRESSION OF THESE SHORTCOMINGS IN THE FORM OF QUESTIONS, MANY KEY INADEQUACIES NONETHELESS ARE POINTED OUT IN LIST. END SUMMARY.

1. JAPAN INFORMED U.S. AND CHAIRMAN JUST PRIOR TO OPENING OF JULY 4 GATT BALANCE OF PAYMENTS COMMITTEE THAT TOKYO HAD FIRMLY INSTRUCTED THEM NOT TO AGREE TO TRANSMITTAL OF ANY QUESTIONS TO COUNCIL. EC COULD NOT ACCEPT ANY QUESTIONS WHICH IMPLIED CHANGES NEEDED IN GATT LEGAL FRAMEWORK, ALTHOUGH THEY DID NOT OPPOSE EXPRESSING OTHER PROBLEMS IN THE FORM OF QUESTIONS. U.S., CANADA, SWEDEN SAID WE PREFERRED ADDITION OF QUESTIONS BUT AGREED MAIN TASK WAS TO PLACE LIST OF SHORTCOMINGS BEFORE THE COUNCIL.

2. DESPITE THEIR OPPOSING QUESTIONS, JAPAN SOFTENED PREVIOUS STANCE AND CONSENTED TO TRANSMITTAL OF LIST OF SHORTCOMINGS ALONG WITH THE BASIC REPORT (SPEC(75)1) TO COUNCIL. PREVIOUSLY THEY HAD TOTALLY OPPOSED ANY COVERING NOTE WHICH MIGHT CONDENSE PROBLEMS REVEALED BY REPORT INTO SUMMARY FORM (REFTELS).

3. EC STATED THEY ONLY ABLE TO APPROVE LIST BECAUSE OF EXISTENCE OF INTRODUCTORY STATEMENTS A) ATTRIBUTING THESE OBSERVATIONS TO "MEMBERS OF THE COMMITTEE" AND B) NOTING THAT MTN WOULD NOT BE PREJUDICED BY THE REPORT. U.S. HAD WORKED CLOSELY WITH CHAIRMAN DUNKEL TO INCLUDE THESE QUALIFYING REFERENCES ON BASIS THAT EC APPEARED LIKELY TO BLOCK ENTIRE COVERNOTE EXERCISE.

4. LIST ITSELF, HOWEVER, IS NO LONGER CHAIRMAN'S NOTE, IS NOW "NOTE BY THE COMMITTEE," IS TO BE PRESENTED TO COUNCIL WITH REPORT IN FALL. TEXT IS FOLLOWSING: BEGIN QUOTE:

NOTE BY THE COMMITTEE

AS COUNCIL WAS INFORMED (SEE C/M/101 PAGE 3) A "REVIEW OF THE WORK OF THE BALANCE OF PAYMENTS COMMITTEE 1970-74" WAS UNDERTAKEN BY THE SECRETARIAT. THE COMPLETED REPORT IS CONTAINED IN DOCUMENT SPEC(75)1/REV.2. MEMBERS OF THE COMMITTEE FOUND CERTAIN POINTS CAME TO MIND UPON READING THIS REPORT. THESE ARE LISTED BELOW FOR THE COUNCIL'S INFORMATION. IN TRANSMITTING THE REPORT, AND THE POINTS IT RAISES, THE MEMBERS OF THE COMMITTEE WER IN FULL AGREEMENT THAT NOTHING SHOULD PREJUDICE ACTION IN THE MULTILIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 GENEVA 05387 101240Z

LATERAL TRADE NEGOTIATIONS.

I. TREATMENT OF IMPORT RESTRICTIONS

1. THERE HAVE BEEN MANY CASES WHERE TRADE RESTRICTIONS IMPOSED FOR BALANCE-OF-PAYMENTS PURPOSES WERE NOT NOTIFIED TO GATT.

2. SOME CASES OF SURCHARGES AND IMPORT DEPOSITS HAVE BEEN EXAMINED BY GATT WORKING PARTIES SET UP FOR THE PURPOSE, WHILE OTHER CASES WERE REFERRED TO THE BALANCE-OF-PAYMENTS COMMITTEE ON

AN AD HOC BASIS.

3. OM SURCHARGE CASES HAVE BEEN THE OBJECT OF A WAIVER, WHILE OTHER CASES WERE DEALT WITH THROUGH ADOPTION OF AGREED CONCLUSIONS.

II. ESTABLISHED PRACTICE

TH COMMITTEE HAS LONG HAD TO DEAL WITH AN INCREASING NUMBER OF CASES IN WHICH TECHNIQUES OF TRADE CONTROL OTHER THAN QUANTITATIVE RESTRICTIONS WERE IMPOSED FOR BALANCE-OF-PAYMENTS REASONS. ALTHOUGHT THE COMMITTEE HAS FOLLOWED A PRAGMATIC APPROACH IN THIS RESPECT, THERE HAS BEEN NO FORMAL ADAPTATION OF ITS TERMS OF REFERENCE TO THE ESTABLISHED PRACTICE.

III. FOLLOW-UP ACTION

A NUMBER OF CONTRACTING PARTIES HAVE CEASED TO INVOKE OR EXPRESSLY DISINVOKED GATT BALANCE-OF-PAYMENTS PROVISIONS AFTER THE BALANCE-OF-PAYMENTS COMMITTEE HAD CONCLUDED THAT JUSTIFICATION ON BALANCE-OF-PAYMENTS GROUNDS NO LONGER EXISTED FOR THEIR IMPORT RESTRICTIONS. AT PRESENT, THE BALANCE-OF-PAYMENTS COMMITTEE HAS NO MEANS TO ASCERTAIN WHETHER ITS RECOMMENDATIONS TO REMOVE THE RESTRICTIONS HAVE BEEN IMPLEMENTED.

IV. WORKING ARRANGEMENTS

AT PRESENT, THE COMMITTEE'S CONSULTATIONS ARE BASED ON DOCUMENTATION PROVIDED BY THE CONSULTING COUNTRY, AS WELL AS BACKGROUND MATERIALS SUPPLIED BY THE FUND. THERE ARE NO QUESTIONS OR DOCUMENTATION PREPARED BY THE GATT SECRETARIAT. END QUOTE

5. FOR TOKYO AND PARIS: WOULD BE USEFUL TO KNOW RESULTS OF REPRESENTATIONS MADE IN CAPITALS IN ORDER BETTER INTERPRET POSITIONS TAKEN AT JULY 4 GENEVA MEETING AND TO ASSESS STRATEGY FOR CONTINUED WORK IN THIS AREA.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 GENEVA 05387 101240Z

6. MISSION AND MTN DEL PLAN MAKE SUGGESTIONS IN NEAR FUTURE ON WHERE U.S. MAY WISH TO GO FROM HERE.DALE

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COMMITTEE MEETINGS, BALANCE OF PAYMENTS, MEETING REPORTS
Control Number: n/a
Copy: SINGLE
Draft Date: 10 JUL 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: greeneet
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975GENEVA05387
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750238-0746
From: GENEVA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750770/aaaackji.tel
Line Count: 156
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 STATE 152332, 75 GENEVA 4986, 75 GENEVA 4818
Review Action: RELEASED, APPROVED
Review Authority: greeneet
Review Comment: n/a
Review Content Flags:
Review Date: 22 APR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <22 APR 2003 by SmithRJ>; APPROVED <25 SEP 2003 by greeneet>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: GATT BALANCE OF PAYMENTS COMMITTEE MEETING JULY 4: PROCEDURES
TAGS: ETRD, GATT
To: STATE PARIS
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006